

Message Text

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PAGE 01 ISLAMA 04791 171119Z

21

ACTION EB-11

INFO OCT-01 NEA-14 ISO-00 CIAE-00 INR-10 NSAE-00 RSC-01

SS-20 NSC-07 AGR-20 AID-20 COME-00 SWF-02 TRSE-00

OMB-01 DRC-01 /108 W

----- 058090

R 170751Z MAY 74

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 4763

AMCONSUL LAHORE

AMCONSUL KARACHI

LIMITED OFFICIAL USE ISLAMABAD 4791

E.O. 11652: N/A

TAGS: EFIN, EIND, PK,

SUBJECT: HERCULES PROBLEMS

1. WHEN I LAST SAW BHUTTO, I URGED THAT HE TAKE STEPS TO SEE THAT CURRENT PROBLEMS OF HERCULES HERE BE SOLVED QUICKLY. I SAID HERCULES OFFICIALS WERE HAVING QUITE SATISFACTORY MEETINGS AT THE LEVEL OF THE FINANCE SECRETARY, BUT WHEN THEY GOT FURTHER DOWN THE LINE TO ACTUALLY WORK THINGS OUT THE MOOD OF PAK OFFICIALS SEEMED TO BE WORSE AND NOT BETTER THAN BEFORE. WE WENT INTO IT IN ENOUGH DETAIL FOR HIM TO KNOW THE GENERAL MAGNITUDE OF THE PROBLEM.

2. I TOLD HIM I HAD A LARGER INTEREST IN THIS THAN JUST GIVING AMERICAN PRIVATE ENTERPRISE SUCH ASSISTANCE AS I LEGITIMATELY COULD. I TOLD HIM IT WAS MY OWN FEELING THAT HERCULES MIGHT BE WILLING WITH THE PROPER ATMOSPHERE TO DOUBLE THE PRESENT DAWOOD-HERCULES FERTILIZER PLANT NEAR LAHORE, I SUGGESTED THAT IF HIS FINANCE MINISTER COULD SEE THAT EXISTING IRRITANTS, WHICH WERE AFFECTING ATTITUDES IN HOME OFFICES, WERE SATISFACTORILY WORKED OUT, IT MIGHT BE A GOOD IDEA TO INVITE THE PRESIDENT OF HERCULES

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PAGE 02 ISLAMA 04791 171119Z

OVER FOR A VISIT TO TALK ABOUT DOUBLING THE PLANT. I

SAID I WAS NOT ONLY THINKING OF THE FERTILIZER NEEDS
OF PAKISTAN, BUT ALSO OF HIS FOREIGN EXCHANGE POSITION.
I SAID WHAT HAD MOST ATTRACTED ME TO MENTION THIS TO
HIM WAS THAT IT WOULD BE THE QUICKEST WAY TO GET MORE
FERTILIZER CAPABILITY, COUPLED WITH THE STARTLING
STATEMENT OF HERCULES OFFICIALS TO ME THAT AFTER IT WAS
COMPLETED, THE FOREIGN EXCHANGE COST OF THE PLANT EXPANSION
COULD BE COMPLETELY PAID BACK IN A LITTLE LESS THAN A YEAR.
BHUTTO WAS INTERESTED, SAID HE THOUGHT THAT THIS MIGHT BE
TRUE IN VIEW OF TODAY'S PRICES. HE SAID HE WOULD GET HIS
FINANCE MINISTER BACK INTO IT WITHOUT DELAY.
BYROADE

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Message Attributes

Automatic Decaptioning: X
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To: STATE KARACHI
Type: TE
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